

UNCLASSIFIED

Nov 13 99 DRAFT

## EXPLANATORY NOTE TO CHINA'S DRAFT SERVICES SCHEDULE

The dates specified in China's draft services schedule are based on the presumption that China will accede to the World Trade Organization (WTO) on or before 1 January 2000. If China has not become a WTO Member as of 1 January 2000, it reserves the right to adjust the dates to reflect the date of its accession.

16

易

UNCLASSIFIED

CMZ

10

DRAFT Nov 13 1999

CONFIDENTIAL

Modes of supply:				
Sector or sub-sector	(1) Cross-border supply	(2) Consumption abroad	(3) Commercial presence	(4) Presence of natural persons
	Limitations on market access		Limitation on national treatment	Additional commitment
I. HORIZONTAL COMMITMENTS				
ALL SECTORS INCLUDED IN THIS SCHEDULE	<p>(3) In China, foreign invested enterprises include foreign capital enterprises (also referred to as wholly foreign-owned enterprises) and joint venture enterprises and there are two types of joint venture enterprises: equity joint ventures and contractual joint ventures.<sup>1</sup></p> <p>The proportion of foreign investment in an equity joint venture shall be no less than 25 per cent of the registered capital of the joint venture.</p> <p>The establishment of branches by foreign enterprises is unbound, unless otherwise indicated in specific sub-sectors, as the laws and regulations on branches of foreign enterprises are under formulation.</p> <p>Representative offices of foreign enterprises are permitted to be established in China, but they shall not engage in any profit-making activities except for the representative offices under CPC 861, 862, 863, 865 in the sectoral specific commitments.</p>		(3) Unbound for all the existing subsidies to domestic services suppliers in the sectors of audio visual, aviation and medical services.	

CM2

CM2

<sup>1</sup> The terms of the contract, concluded in accordance with China's laws, regulations and other measures, establishing a "contractual joint venture" govern matters such as the manner of operation and management of the joint venture as well as the investment or other contributions of the joint venture parties. Equity participation by all parties to the contractual joint venture is not required, but is determined pursuant to the joint venture contract.

CM2

CONFIDENTIAL

UNCLASSIFIED

CHINA (continued)

Modes of supply: Sector or sub-sector	(1) Cross-border supply Limitations on market access	(2) Consumption abroad Limitations on market access	(3) Commercial presence Limitations on national treatment	(4) Presence of natural persons Additional commitments
	<p>The conditions of ownership, operation and scope of activities, as set out in the respective contractual or shareholder agreement or in a license establishing or authorizing the operation or supply of services by an existing foreign service supplier, will not be made more restrictive than they exist as of the date of China's accession to the WTO.</p> <p>The land in the People's Republic of China is State-owned. Use of land by enterprises and individuals is subject to the following maximum term limitations:</p> <ul style="list-style-type: none"> <li>(a) 70 years for residential purposes;</li> <li>(b) 50 years for industrial purposes;</li> <li>(c) 50 years for the purpose of education, science, culture, public health and physical education;</li> <li>(d) 40 years for commercial, tourist and recreational purposes;</li> <li>(e) 50 years for comprehensive utilization or other purposes.</li> </ul>			

CM 2

OK

12/20

CHINA (continued)

Modes of supply:		(1) Cross-border supply	(2) Consumption abroad	(3) Commercial presence	(4) Presence of natural persons	Additional commitments
Sector or sub-sector		Limitations on market access		Limitations on national treatment		
		<p>(4) Unbound except for measures concerning the entry and temporary stay of natural persons who fall into one of the following categories:</p> <p>(a) Managers, executives and specialists, defined as senior employees of a corporation of a WTO member that has established a representative office, branch or subsidiary in the territory of the People's Republic of China, temporarily moving as intra-corporate transferees, shall be permitted entry for an initial stay of 3 years;</p> <p>(b) Managers, executives and specialists, defined as senior employees of a WTO member, being engaged in the foreign invested enterprises in the territory of the People's Republic of China for conducting business, shall be granted a long-term stay permit as stipulated in the terms of contracts concerned or an initial stay of 3 years, whichever is shorter;</p>		<p>(4) Unbound except for the measures concerning the entry and temporary stay of natural persons who fall into the categories referred to under the market access column.</p>		

UNCLASSIFIED

CM 2/2

OK

2

CHINA (continued)

Modes of supply:		(1) Cross-border supply		(2) Consumption abroad		(3) Commercial presence		(4) Presence of natural persons	
Sector or sub-sector		Limitations on market access		Limitations on national treatment		Additional commitments			
		(c) Service salespersons -- persons not based in the territory of the People's Republic of China and receiving no remuneration from a source located within China, and who are engaged in activities related to representing a service supplier for the purpose of negotiation for the sale of services of that supplier where (a) such sales are not directly made to the general public and (b) the salesperson is not engaged in supplying the service: entry for service salespersons is limited to a 90-day period.							

UNCLASSIFIED

CM L

Modes of supply:		1) Cross-border supply	2) Consumption abroad	3) Commercial presence	4) Presence of natural persons
Sector or subsector	Limitations on market access			Limitations on national treatment	Additional commitments
PROFESSIONAL SERVICES	(1) None			(1) None	
a. Legal Services - (CPC 861, excluding Chinese law practice)	(2) None			(2) None	
	(3) Foreign law firms can provide legal services only in the form of representative offices in Beijing, Shanghai, Guangzhou, Shenzhen, Haikou, Dalian, Qingdao, Ningbo, Yantai, Tianjin, Suzhou, Xiamen, Zhuhai, Hangzhou, Fuzhou, Wuhan, Chengdu, Shenyang, and Kunming only. Representative offices can engage in profit-making activities. Representative offices in China shall be no less than the number established upon the date of accession. A foreign law firm can only establish one representative office in China. The above mentioned geographic and quantitative limitations will be eliminated no later than January 1, 2001.			(3) All representatives shall be resident in China no less than six months each year. The representative office shall not employ Chinese national registered lawyers.	
	Business scope of foreign representative offices: a) to provide its clients with consultancy on the legislation of the country/region where the lawyers of the law firm are permitted to engage in lawyers' professional work, and on international conventions and practices; (b) to handle, when entrusted by its clients or Chinese law firms, legal affairs of the country/region where the lawyers of the law firm are permitted to engage in lawyers' professional work; c) to entrust, on behalf of foreign clients, Chinese law firms to deal with Chinese legal affairs; and d) to enter into contracts to maintain long-term entrustment relations with Chinese law firms for legal affairs.				
	The representative of a foreign law firm shall be practitioner lawyers who are members of the bar in a WTO member and have practiced for no less than 3 consecutive years outside of China. The chief representative shall be a partner or equivalent (e.g., member of a law firm of a limited liability corporation) of a law firm of a WTO member.				
	(4) Unbound except as indicated in horizontal commitments			(4) Unbound except as indicated in horizontal commitments	

UNCLASSIFIED

6  
CAL

Modes of supply:		1) Cross-border supply	2) Consumption abroad	3) Commercial presence	4) Presence of natural persons
Sector or subsector		Limitations on market access		Limitations on national treatment	Additional commitments
d. Architectural Services - 8671		1) Only through cooperation with Chinese professional organizations		1) None	
e. Engineering Services - 8672		2) None		2) None	
f. Integrated Engineering - 8673 Services		3) Only in the form of joint ventures, with foreign majority ownership permitted.		3) Foreign service suppliers must be registered architects/engineers, or enterprises engaged in architectural/engineering/urban planning services, in their home country	
g. Urban Planning (except general urban planning)- 8674					
h. Medical and Dental Services - 9312		1) None		1) None	
		2) None		2) None	
		3) Foreign service suppliers are permitted to establish joint venture hospitals or clinics with Chinese partners with quantitative limitations in line with China's needs.		3) The majority of doctors and medical personnel of the JV hospital and clinics shall be of Chinese nationality.	
For all above sectors		4) Unbound, except as indicated in Horizontal commitments and as follows  Foreign doctors with professional certificates issued by their home country shall be permitted to provide short-term medical services in China after they obtain licenses from the Ministry of Public Health. The term of service is six months and may extend to one year.		4) Unbound, except as indicated in Horizontal commitments	

ok

LM

Modes of supply:			
1) Cross-border supply	2) Consumption abroad	3) Commercial presence	4) Presence of natural persons
Sector or subsector	Limitations on market access	Limitations on national treatment	Additional commitments
b. Accounting, auditing and bookkeeping services (CPC 862)	<p>1) None</p> <p>2) None</p> <p>3) Partnership or incorporated accounting firms are limited to Certified Public Accountants (CPAs) licensed by Chinese authorities.</p> <p>4) Unbound, except as indicated in horizontal commitments.</p>	<p>1) None</p> <p>2) None</p> <p>3) None</p> <p>4) Unbound, except as indicated in horizontal commitments</p>	<p>Foreign accounting firms are permitted to affiliate with Chinese firms and enter into contractual agreements with their affiliated firms in other WTO members.</p> <p>Upon accession to the WTO, issuance of licenses to those foreigners who have passed the Chinese national CPA examination shall be accorded national treatment. Applicants will be informed of results in writing no later than thirty days after submission of their applications.</p> <p>Existing contractual joint venture accounting firms are not limited only to CPAs licensed by Chinese authorities.</p>

UNCLASSIFIED

CHINA (continued)

Modes of supply:		(1) Cross-border supply	(2) Consumption abroad	(3) Commercial presence	(4) Presence of natural persons
Sector or sub-sector		Limitations on market access		Limitations on national treatment	Additional commitments
(f) Services incidental to agriculture, forestry, hunting and fishing (CPC 881, 882)		(1) None		(1) None	
		(2) None		(2) None	
		(3) Only in the form of joint ventures.		(3) None	
		(4) Unbound except as indicated in Horizontal Commitments.		(4) Unbound except as indicated in Horizontal Commitments.	

UNCLASSIFIED

Modes of supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons

Sector or subsector	Limitations on market access	Limitations on national treatment	Additional commitments
BUSINESS SERVICES			
Management Consulting services (CPC 865)	1) None	1) None	
Taxation services (CPC 8630)	2) None	2) None	
	3) Only in the form of joint ventures, with foreign majority ownership permitted.	3) None	
	None, starting no later than December 31, 2005, at which time foreign firms will be permitted to establish wholly-owned subsidiaries.	4) Unbound, except as indicated in horizontal commitments	
	4) Unbound, except as indicated in Horizontal Commitments		

UNCLASSIFIED

230

01

CHINA (continued)

Modes of supply:		(1) Cross-border supply	(2) Consumption abroad	(3) Commercial presence	(4) Presence of natural persons	Additional commitments
Sector or sub-sector		Limitations on market access		Limitations on national treatment		
<b>B. <u>Computer and Related Services</u></b>						
(a) Consultancy services related to the installation of computer hardware (CPC 841)		(1) None (2) None (3) None (4) Unbound, except as indicated in Horizontal Commitments.		(1) None (2) None (3) None (4) Certified engineers, or personnel with Bachelor's degree (or above) and 3 years of experience in these fields.		
(b) Software implementation services (CPC 842) Systems and software consulting services (CPC 8421) Systems analysis services (CPC 8422)		(1) None (2) None (3) Only in the form of joint ventures. (4) Unbound, except as indicated in Horizontal Commitments.		(1) None (2) None (3) None (4) Certified engineers, or personnel with Bachelor's degree (or above) and 3 years of experience in these fields.		

UNCLASSIFIED

CMZ

11

CHINA (continued)

Modes of supply:		(1) Cross-border supply	(2) Consumption abroad	(3) Commercial presence	(4) Presence of natural persons
Sector or sub-sector		Limitations on market access		Limitations on national treatment	
- Systems design services (CPC 8423) - Programming services (CPC 8424) - Systems maintenance services (CPC 8425)		(1) <del>Unbound</del> NONE		(1) Unbound	
		(2) None		(2) None	
		(3) Only in the form of joint ventures.		(3) None	
		(4) Unbound, except as indicated in Horizontal Commitments.		(4) Certified engineering personnel with Bachelor's degree (or above) and 3 years of experience in these fields.	
(c) Data processing services (CPC 843) - Input preparation services (CPC 8431)		(1) None		(1) None	
		(2) None		(2) None	
		(3) Only in the form of joint ventures.		(3) None	
		(4) Unbound, except as indicated in Horizontal Commitments.		(4) Certified engineering personnel with Bachelor's degree (or above) and 3 years of experience in these fields.	

UNCLASSIFIED

12

240

24

UNCLASSIFIED

UNCLASSIFIED

6

24

CHINA (continued)

Modes of supply:		(1) Cross-border supply	(2) Consumption abroad	(3) Commercial presence	(4) Presence of natural persons	Additional commitments
Sector or sub-sector		Limitations on market access		Limitations on national treatment		
- Data processing and tabulation services (CPC 8432)		(1) None		(1) None		
		(2) None		(2) None		
- Time-sharing services (CPC 8433)		(3) None		(3) None		
		(4) Unbound, except as indicated in Horizontal Commitments.		(4) Certified engineers, or personnel with Bachelor's degree (or above) and 3 years of experience in these fields.		

CHINA (continued)

Modes of supply: Sector or sub-sector	(1) Cross-border supply Limitations on market access	(2) Consumption abroad Limitations on national treatment	(3) Commercial presence Limitations on national treatment	(4) Presence of natural persons Additional commitments
<p><b>D. Real Estate Services</b></p> <p>(a) Real estate services involving own or leased property (CPC 821)</p>	<p>(1) None</p> <p>(2) None</p> <p>(3) None except for the following:</p> <p>Wholly foreign-owned enterprises are not permitted for luxury real estate projects, such as apartments and office buildings, but excluding luxury hotels.</p> <p>(4) Unbound except as indicated in Horizontal Commitments.</p>	<p>(1) None</p> <p>(2) None</p> <p>(3) None</p>	<p>(1) None</p> <p>(2) None</p> <p>(3) None</p>	
<p>(b) Real estate services on a fee or contract basis (CPC 822)</p>	<p>(1) None</p> <p>(2) None</p> <p>(3) Only in the form of joint ventures.</p> <p>(4) Unbound except as indicated in Horizontal Commitments.</p>	<p>(1) None</p> <p>(2) None</p> <p>(3) None</p> <p>(4) Unbound except as indicated in Horizontal Commitments.</p>	<p>(1) None</p> <p>(2) None</p> <p>(3) None</p> <p>(4) Unbound except as indicated in Horizontal Commitments.</p>	

200

20

UNCLASSIFIED

Modes of supply:	1) Cross-border supply	2) Consumption abroad	3) Commercial presence	4) Presence of natural persons
Sector or subsector	Limitations on market access	Limitations on national treatment	Additional commitments	
BUSINESS SERVICES				
Maintenance and Repair Services (CPC 63, 6112 and 6122)	1) None 2) None 3) Only in the form of joint ventures. Starting no later than January 1, 2001, foreign majority ownership will be permitted. No later than January 1, 2003, at which time foreign service suppliers will be permitted to establish a wholly foreign-owned subsidiary.	1) None 2) None 3) None		
Maintenance and Repair services of office machinery and equipment including computers (CPC 845 and 886)	4) Unbound, except as indicated in Horizontal Commitments	4) Unbound, except as indicated in Horizontal Commitments		
Rental and Leasing Services (CPC 831, 832, excluding 83202)	[FOR RENTAL AND LEASING SERVICES, SERVICE SUPPLIERS WILL HAVE TO POST ASSETS OF 2 MILLION.]			

[FOR RENTAL AND LEASING SERVICES, SERVICE SUPPLIERS WILL INCREASE TO 2 MILLION ASSETS OF MILLION.]

UNCLASSIFIED

Modes of supply:	1) Cross-border supply	2) Contribution of abroad	3) Commercial presence	4) Presence of natural persons
Sector or subsector	Limitations on market access	Limitations on national treatment	Additional commitments	
OTHER BUSINESS SERVICES				
Advertising Services (CPC 871)	<p>1) Only through advertising agents registered in China who have the right to provide foreign advertising services.</p> <p>2) Only through advertising agents registered in China who have the right to provide foreign advertising services.</p> <p>3) Foreign service suppliers are permitted to establish advertising enterprises in China only in the form of joint ventures. Starting no later than January 1, 2002, foreign majority ownership will be permitted.</p>	<p>1) None</p> <p>2) None</p> <p>3) None</p>		
Technical testing and analysis services (8676) and freight inspection (CPC 749), excluding statutory inspection services for freight inspection services	<p>None, starting no later than January 1, 2004, at which time foreign service suppliers will be permitted to establish wholly foreign-owned subsidiaries.</p> <p>1) None</p> <p>2) None</p> <p>3) Foreign services suppliers which have been engaged in inspection services in their home countries for more than 3 years are permitted to establish joint venture technical testing, analysis and freight inspection companies with no less than \$US 500,000 in registered capital. Starting no later than January 1, 2002, foreign majority ownership will be permitted.</p> <p>None, starting no later than January 1, 2004 at which time foreign service suppliers will be permitted to establish wholly foreign-owned subsidiaries.</p>	<p>1) None</p> <p>2) None</p> <p>3) None</p>		
	4) Unbound except as indicated in Horizontal Commitments	4) Unbound except as indicated in Horizontal Commitments		

CM2

UNCLASSIFIED

CHINA (continued)

Modes of supply:		(1) Cross-border supply	(2) Consumption abroad	(3) Commercial presence	(4) Presence of natural persons	Additional commitments
Sector or sub-sector	Limitations on market access					
(f) Services incidental to agriculture, forestry, hunting and fishing (CPC 881, 882)	(1) None		(1) None			
	(2) None		(2) None			
	(3) Only in the form of joint ventures.		(3) None			
	(4) Unbound except as indicated in Horizontal Commitments.		(4) Unbound except as indicated in Horizontal Commitments.			

UNCLASSIFIED

6

17

2MD

18

CNA

CHINA (continued)

Modes of supply:		(1) Cross-border supply	(2) Consumption abroad	(3) Commercial presence	(4) Presence of natural persons
Sector or sub-sector		Limitations on market access		Limitations on national treatment	
(m) Related scientific technical consulting services (CPC 8675)		(1) None	(1) None	(1) None	
		(2) None	(2) None	(2) None	
- Offshore oil-field services geological, geophysical and other scientific prospecting services (CPC 86751)		(3) Only in the form of joint ventures.	(3) Only in the form of joint ventures.	(3) None	
		(4) Unbound except as indicated in Horizontal Commitments.	(4) Unbound except as indicated in Horizontal Commitments.	(4) Unbound except as indicated in Horizontal Commitments.	
Sub-surface surveying services (CPC 86752)		(1) None	(1) None	(1) None	
		(2) None	(2) None	(2) None	
- Onshore oil-field services		(3) Only in the form of a petroleum exploitation in cooperation with Chinese partners.	(3) Only in the form of a petroleum exploitation in cooperation with Chinese partners.	(3) None	
		(4) Unbound except as indicated in Horizontal Commitments.	(4) Unbound except as indicated in Horizontal Commitments.	(4) Unbound except as indicated in Horizontal Commitments.	
		(1) None	(1) None	(1) None	
		(2) None	(2) None	(2) None	
		(3) Only in the form of a petroleum exploitation in cooperation with China National Petroleum Corp. (CNPC) in the designated areas approved by the Chinese government.	(3) Only in the form of a petroleum exploitation in cooperation with China National Petroleum Corp. (CNPC) in the designated areas approved by the Chinese government.	(3) The foreign service supplier shall furnish CNPC accurately and promptly with the reports on the petroleum operations, and shall submit to CNPC life data and samples as well as various technological, economic, accounting and administrative reports related to petroleum operations.	

UNCLASSIFIED

2m2

CHINA (continued)

Modes of supply: Sector or sub-sector	(1) Cross-border supply Limitations on market access	(2) Consumption abroad Limitations on national treatment	(3) Commercial presence Limitations on national treatment	(4) Presence of natural persons Additional commitments
	<p>In order to carry out the petroleum contract, the foreign service supplier shall establish a branch, subsidiary or representative office within the territory of the People's Republic of China and go through registration formalities in accordance with the laws.</p> <p>The domiciles of the said offices shall be determined through consultation with CNPC.</p> <p>The foreign service supplier shall open its bank account with a bank approved by the Chinese authorities to engage in foreign exchange business within the Chinese territory.</p> <p>(4) Unbound except as indicated in Horizontal Commitments.</p>	<p>CNPC shall have the ownership of all of the data records, samples, vouchers and other original information acquired during the implementation of the petroleum operations.</p> <p>The investment of foreign service suppliers shall be made in US dollars or other hard currencies.</p> <p>(4) Unbound except as indicated in Horizontal Commitments.</p>		

UNCLASSIFIED

12/17

2m2

GW

CHINA (continued)

Modes of supply: (1) Cross-border supply		(2) Consumption abroad		(3) Commercial presence		(4) Presence of natural persons		Additional commitments
Sector or sub-sector		Limitations on market access		Limitations on national treatment		Limitations on national treatment		
(p) Photographic services (CPC 875)	(1) None		(1) None		(1) None			
	(2) None		(2) None		(2) None			
	(3) Only in the form of joint ventures.		(3) Only in the form of joint ventures.		(3) None			
	(4) Unbound except as indicated in Horizontal Commitments.		(4) Unbound except as indicated in Horizontal Commitments.		(4) Unbound except as indicated in Horizontal Commitments.			
(s) Convention services (CPC 87909)	(1) None		(1) None		(1) None			
	(2) None		(2) None		(2) None			
	(3) Only in the form of joint ventures.		(3) Only in the form of joint ventures.		(3) None			
	(4) Unbound except as indicated in Horizontal Commitments.		(4) Unbound except as indicated in Horizontal Commitments.		(4) Unbound except as indicated in Horizontal Commitments.			

UNCLASSIFIED

24

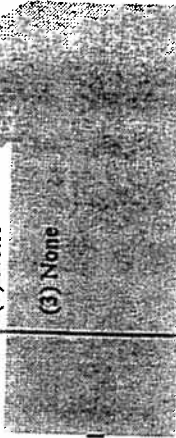
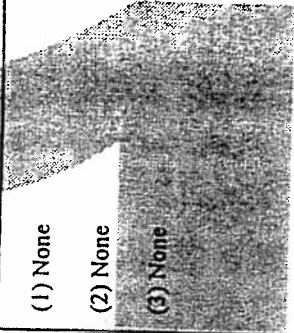


OK

CMJ

CONFIDENTIAL  
UNCLASSIFIED

CHINA (continued)

Modes of supply:	(1) Cross-border supply	(2) Consumption abroad	(3) Commercial presence	(4) Presence of natural persons	Additional commitments
Sector or sub-sector	Limitations on market access	Limitations on market access	Limitations on national treatment	Limitations on national treatment	
(i) Translation and interpretation services (CPC 87905)	(1) None		(1) None		
	(2) None		(2) None		
	(3) Only in the form of joint ventures.		(3) None		
	(4) Unbound except as indicated in Horizontal Commitments.				
			(4) Qualifications are as follows: three years of experience in translation or interpretation and a good command of the working language(3)		

199D

~~CONFIDENTIAL~~

2

Modes of supply:				
1) Cross-border supply	2) Consumption abroad	3) Commercial presence	4) Presence of natural persons	
Sector or subsector	Limitations on market access	Limitations on national treatment	Additional commitments	
<p><b>COURIER SERVICES</b></p> <p>Land-based International Courier Services: All services related to an international shipment being handled by an express carrier, except for those currently specifically reserved to Chinese postal authorities by law.</p>	<p>1) None</p> <p>2) None</p> <p>3) Only in the form of joint ventures. Starting no later than January 1, 2001, foreign majority ownership will be permitted.</p> <p>None, starting no later than January 1, 2004, at which time foreign service suppliers will be permitted to establish as wholly foreign-owned subsidiaries.</p> <p>4) Unbound, except as indicated in Horizontal Commitments</p>	<p>1) None</p> <p>2) None</p> <p>3) None</p> <p>4) Unbound, except as indicated in Horizontal Commitments</p>		

UNCLASSIFIED

2

YMD

6/8

\* All international telecommunications services shall go through gateways established with the approval of China's telecommunications authorities, which will act as an independent regulatory authority in accordance with the principles of paragraph 5 of the Reference Paper.

footnote on gateways  
for telecom.

✖

tyj

OW

Wavy line

# Basic and Value-Added Telecommunications Services

Modes of Supply: 1) Cross-border supply 2) Consumption Abroad 3) Commercial Presence 4) Presence of Natural Persons

Handwritten initials

Sector or subsector	Limitations on market access	Limitations on national treatment	Additional commitments
2. COMMUNICATION SERVICES <sup>2</sup> <u>Value-added Services</u> including the following:	1), 3) Foreign service suppliers will be permitted to establish joint venture value-added telecommunication enterprises, without quantitative restrictions, in the cities of Shanghai, Guangzhou and Beijing. Foreign investment in joint venture shall be no more than 30%. Starting no later than January 1, 2007, the areas will be expanded to include Chengdu, Chongqing, Dalian, Fuzhou, Hangzhou, Nanjing, Ningbo, Qingdao, Shenyang, Shenzhen, Xiamen, Xian, Taiyuan and Wuhan and foreign investment shall be no more than 33%. Starting no later than January 1, 2007, there will be no geographic restriction and foreign investment shall be no more than 49%.	1) None 2) None 3) None 4) Unbound except as indicated in Horizontal Commitments.	China undertakes the obligations contained in the reference paper attached hereto.
2.C.h. Electronic Mail 2.C.i. Voice Mail 2.C.j. On-line Information and Data Base Retrieval 2.C.k. Electronic Data Interchange Enhanced/Value-added 2.C.l. Facsimile Services (including store and forward, store and retrieve) 2.C.m. Code and Protocol Conversion 2.C.n. On-line Information and/or Data Processing (including transaction processing)	2) None 4) Unbound except as indicated in Horizontal Commitments.	50% Ownership Management Enforced permitted	

<sup>1</sup> China's commitments are scheduled in accordance with the following: Notes for Scheduling Basic Telecom Services Commitments (S/GIT/W/2/REV.1) and Market Access Limitations on Spectrum Availability (S/GBT/W/3) attached hereto.

25

2. Footnote

[3. INSERT: Further liberalization of this sector, including with respect to the level of equity participation, permitted, will be discussed in the services negotiations during the round of trade talks initiated in September.

Handwritten signature

Handwritten initials

UNCLASSIFIED

LMD

dy  
01

# Basic and Value-Added Telecommunications Services

Modes of Supply: 1) Cross-border supply 2) Consumption Abroad 3) Commercial Presence 4) Presence of Natural Persons

Sector or subsector	Limitations on market access	Limitations on national treatment	Additional commitments
2. COMMUNICATION SERVICES <u>Basic Telecommunication Services</u>  -- Paging services	1), 3) Foreign service suppliers will be permitted to establish joint venture enterprises, without quantitative restrictions, in the cities of Shanghai, Guangzhou and Beijing. Foreign investment in the joint venture shall be no more than 30 percent. Starting no later than January 1, 2002, the areas will be expanded to include Chengdu, Chongqing, Dalian, Fuzhou, Hangzhou, Nanjing, Ningbo, Qingdao, Shenyang, Shenzhen, Xiamen, Xian, Taiyuan and Wuhan and foreign investment shall be no more than 35%. 4) Starting no later than January 1, 2002, there will be no geographic restriction and foreign investment shall be no more than 50%. 2) None 4) Unbound except as indicated in Horizontal commitments.	1) None 2) None 3) None Unbound except as indicated in Horizontal Commitments.  <i>Unbound with operation, F. management</i> <i>Unbound permitted.</i>	China undertakes the obligations contained in the reference paper attached hereto.

UNCLASSIFIED

# Basic and Value-Added Telecommunications Services

Modes of Supply: 1) Cross-border supply 2) Consumption Abroad 3) Commercial Presence 4) Presence of Natural Persons

Sector or subsector	Limitations on market access	Limitations on national treatment	Additional commitments
Mobile voice and data services: Analogue/digital Cellular Services Personal Communication Services	<p>1), 3) Starting no later than January 1, 2001, foreign service suppliers will be permitted to establish joint venture enterprises without quantitative restrictions, in the cities of Shanghai, Guangzhou and Beijing. Foreign investment in the joint venture shall be no more than 25%.</p> <p>Starting no later than January 1, 2003, the areas will be expanded to include Chengdu, Chongqing, Dalian, Fuzhou, Hangzhou, Nanjing, Ningbo, Qingdao, Shenyang, Shenzhen, Xiamen, Xian, Taiyuan and Wuhan and foreign investment shall be no more than 35%.</p> <p>Starting no later than January 1, 2005, there will be no geographic restriction and foreign investment shall be no more than 49%.</p> <p>2) None</p> <p>4) Unbound except as indicated in Horizontal Commitments.</p>	<p>1) None</p> <p>2) None</p> <p>3) None</p> <p>4) Unbound except as indicated in Horizontal Commitments.</p>	

UNCLASSIFIED

2/2

2/2

### Basic and Value-Added Telecommunications Services

Modes of Supply: 1) Cross-border supply 2) Consumption Abroad 3) Commercial Presence 4) Presence of Natural Persons

Sector or subsector	Limitations on market access	Limitations on national treatment	Additional commitments
Domestic services			
(a) Voice Services	1), 3) Starting no later than January 1, 2003, foreign service suppliers will be permitted to establish joint venture enterprises without quantitative restrictions, in and between the cities of Shanghai, Guangzhou and Beijing. Foreign investment in the joint venture shall be no more than 25 percent.	1) None	
(b) Packet-switched Data Transmission Services		2) None	
(c) Circuit-switched Data Transmission Services		3) None	
(f) Facsimile Services	Starting no later than January 1, 2005, the areas will be expanded to include services in and between Chengdu, Chongqing, Dalian, Fuzhou, Hangzhou, Nanjing, Ningbo, Qingdao, Shenyang, Shenzhen, Xiamen, Xian, Taiyuan and Wuhan and foreign investment shall be no more than 35%.	4) Unbound except as indicated in Horizontal Commitments.	
International services			
(a) Voice Services			
(b) Packet-switched Data Transmission Services	Starting no later than January 1, 2006, there will be no geographic restriction and foreign investment shall be no more than 49%.		
(c) Circuit-switched Data Transmission Services	2) None		
(f) Facsimile Services	4) Unbound except as indicated in Horizontal Commitments.		
(g) International closed user group voice and data services			

UNCLASSIFIED

2. Interconnection

2.1 This section applies to linking with suppliers providing public telecommunications transport networks or services in order to allow the users of one supplier to communicate with users of another supplier and to access services provided by another supplier, where specific commitments are undertaken.

2.2 Interconnection to be ensured

Interconnection with a major supplier will be ensured at any technically feasible point in the network. Such interconnection is provided.

- (a) under non-discriminatory terms, conditions (including technical standards and specifications) and rates and of a quality no less favourable than that provided for its own like services or for like services of non-affiliated service suppliers or for its subsidiaries or other affiliates;
- (b) in a timely fashion, on terms, conditions (including technical standards and specifications) and cost-oriented rates that are transparent, reasonable, having regard to economic feasibility, and sufficiently unbundled so that the supplier need not pay for network components or facilities that it does not require for the service to be provided; and
- (c) upon request, at points in addition to the network termination points offered to the majority of users, subject to charges that reflect the cost of construction of necessary additional facilities.

2.3 Public availability of the procedures for interconnection negotiations

The procedures applicable for interconnection to a major supplier will be made publicly available.

2.4 Transparency of interconnection arrangements

It is ensured that a major supplier will make publicly available either its interconnection agreements or a reference interconnection offer.

2.5 Interconnection: dispute settlement

A service supplier requesting interconnection with a major supplier will have recourse, either:

- (a) at any time or
- (b) after a reasonable period of time which has been made publicly known

to an independent domestic body, which may be a regulatory body as referred to in paragraph 5 below, to resolve disputes regarding appropriate terms, conditions and rates for interconnection within a reasonable period of time, to the extent that these have not been established previously.

UNCLASSIFIED

UNCLASSIFIED

YMD

30

REFERENCE PAPER

Scope

The following are definitions and principles on the regulatory framework for the basic telecommunications services.

Definitions

Users mean service consumers and service suppliers.

Essential facilities mean facilities of a public telecommunications transport network or service that

- (a) are exclusively or predominantly provided by a single or limited number of suppliers; and
- (b) cannot feasibly be economically or technically substituted in order to provide a service.

A major supplier is a supplier which has the ability to materially affect the terms of participation (having regard to price and supply) in the relevant market for basic telecommunications services as a result of:

- (a) control over essential facilities; or
- (b) use of its position in the market.

1. Competitive safeguards

1.1 Prevention of anti-competitive practices in telecommunications

Appropriate measures shall be maintained for the purpose of preventing suppliers who, alone or together, are a major supplier from engaging in or continuing anti-competitive practices.

1.2 Safeguards

The anti-competitive practices referred to above shall include in particular:

- (a) engaging in anti-competitive cross-subsidization;
  - (b) using information obtained from competitors with anti-competitive results; and
  - (c) not making available to other services suppliers on a timely basis technical information about essential facilities and commercially relevant information which are necessary for them to provide services.
- UNCLASSIFIED
- 30

LWD

UNCLASSIFIED

CB

3. Universal service

Any Member has the right to define the kind of universal service obligation it wishes to maintain. Such obligations will not be regarded as anti-competitive *per se*, provided they are administered in a transparent, non-discriminatory and competitively neutral manner and are not more burdensome than necessary for the kind of universal service defined by the Member.

4. Public availability of licensing criteria

Where a licence is required, the following will be made publicly available:

- (a) all the licensing criteria and the period of time normally required to reach a decision concerning an application for a licence and
- (b) the terms and conditions of individual licences.

The reasons for the denial of a licence will be made known to the applicant upon request.

5. Independent regulators

The regulatory body is separate from, and not accountable to, any supplier of basic telecommunications services. The decisions of and the procedures used by regulators shall be impartial with respect to all market participants.

6. Allocation and use of scarce resources

Any procedures for the allocation and use of scarce resources, including frequencies, numbers and rights of way, will be carried out in an objective, timely, transparent and non-discriminatory manner. The current state of allocated frequency bands will be made publicly available, but detailed identification of frequencies allocated for specific government uses is not required.

UNCLASSIFIED

CB

ZWJ

~~CONFIDENTIAL~~

✓

# WORLD TRADE ORGANIZATION

RESTRICTED

S/GBT/W/2/Rev.1

16 January 1997

(97-0173)

Group on Basic Telecommunications

## Note by the Chairman

### Revision

*It has been suggested by a number of delegations that it might be helpful to produce a brief and simple note on assumptions applicable to the scheduling of commitments in basic telecoms. The purpose of the attached note is to assist delegations in ensuring the transparency of their commitments and to promote a better understanding of the meaning of commitments. This note is not intended to have or acquire any binding legal status.*

### NOTES FOR SCHEDULING BASIC TELECOM SERVICES COMMITMENTS

1. Unless otherwise noted in the sector column, any basic telecom service listed in the sector column:
  - (a) encompasses local, long distance and international services for public and non-public use;
  - (b) may be provided on a facilities-basis or by resale; and
  - (c) may be provided through any means of technology (e.g., cable<sup>2</sup>, wireless, satellites).
2. Subsector (g) --private leased circuit services -- involves the ability of service suppliers to sell or lease any type of network capacity for the supply of services listed in any other basic telecom service subsector unless otherwise noted in the sector column. This would include capacity via cable, satellite and wireless network.
3. In view of points 1 and 2 above, it should not be necessary to list cellular or mobile services as a separate subsector. However, a number of Members have done so, and a number of offers have commitments only in these subsectors. Therefore, in order to avoid extensive changes in schedules, it would seem appropriate for Members to maintain separate entries for these subsectors.

<sup>2</sup>Including all types of cable.

UNCLASSIFIED

BW

2W0

01

WORLD TRADE  
ORGANIZATION

RESTRICTED

S/GBT/W/3

3 February 1997

(97-0415)

Group on Basic Telecommunications

Original: English

CHAIRMAN'S NOTE

Market Access Limitations on Spectrum Availability

Many Members have entries in the market access column of their schedules indicating that commitments are "subject to availability of spectrum/frequency" or similar wording. In light of the physical nature of spectrum and the constraints inherent in its use, it is understandable that Members may have sought to rely on these words to adequately protect legitimate spectrum management policies. There is, however, doubt that words such as "subject to availability of spectrum/frequency" as listed in the market access column of many Members' schedules achieve that objective.

Spectrum/frequency management is not, *per se*, a measure which needs to be listed under Article XVI. Furthermore under the GATS each Member has the right to exercise spectrum/frequency management, which may affect the number of service suppliers, provided that this is done in accordance with Article VI and other relevant provisions of the GATS. This includes the ability to allocate frequency bands taking into account existing and future needs. Also, Members which have made additional commitment in line with the Reference Paper on regulatory principles are bound by its paragraph 6.

Therefore, words such as "subject to availability of spectrum/frequency" are unnecessary and should be deleted from Members' schedules.

UNCLASSIFIED

01

CMZ

CHINA (continued)

Modes of supply:	(1) Cross-border supply	(2) Consumption abroad	(3) Commercial presence	(4) Presence of natural persons
Sector or sub-sector	Limitations on market access		Limitations on national treatment	
3. CONSTRUCTION AND RELATED ENGINEERING SERVICES (CPC 511, 512, 513, 514, 515, 516, 517)	(1) Unbound* (2) None (3) Only in forms of joint ventures.  (4) Unbound except as indicated in Horizontal Commitments.	(1) Unbound* (2) None (3) None, except for the following: (a) Registered capital requirements for joint venture construction enterprises are slightly different from that of the domestic enterprises. (b) Joint venture construction enterprises have the obligation to undertake foreign-invested construction projects.  (4) Unbound except as indicated in Horizontal Commitments.	Additional commitments	

UNCLASSIFIED

\* Unbound due to lack of technical feasibility.

25

ANNEX 1

DISTRIBUTION SERVICES

Distribution trade services are comprised of four main sub-sectors:

- 1) commission agents services,
- 2) wholesaling,
- 3) retailing,
- 4) franchising.

The principal services rendered in each subsector can be characterized as reselling merchandise, accompanied by a variety of related subordinated services, including inventory management; assembly, sorting and grading of bulk lots; breaking bulk lots and redistributing into smaller lots; delivery services; refrigeration, storage, warehousing and garage services; sales promotion, marketing and advertising, installation and after sales services including maintenance and repair and training services. Distribution services are generally covered by CPC 61, 62, 63 and 8929.

COMMISSION AGENTS' SERVICES consist of sales on a fee or contract basis by an agent, broker or auctioneer or other wholesalers of goods/merchandise *and related subordinated services*

WHOLESALE consist of the sale of goods/merchandise to retailers to industrial, commercial, institutional, or other professional business users, or to other wholesalers. *and related subordinated services*

RETAILING SERVICES consist of the sale of goods/merchandise for personal or household consumption either from a fixed location (e.g., store, kiosk, etc.) or away from a fixed location. *and related subordinated services*

FRANCHISING SERVICES consist of the sale of the use of a product, trade name or particular business format system in exchange for fees or royalties. Product and trade name franchising involves the use of a trade name in exchange for fees or royalties and may include an obligation for exclusive sale of trade name products. Business format franchising involves the use of an entire business concept in exchange for fees and royalties, and may include the use of a trade name, business plan, and training materials *and related subordinated services*.

Modes of supply:		1) Cross-border supply	2) Consumption abroad	3) Commercial presence	4) Presence of natural persons
Sector or subsector	Limitations on market access	Limitations on national treatment	Additional commitments		
DISTRIBUTION SERVICES (as defined in Annex 1)	(1) Unbound (2) None (3) Starting no later than January 1, 2001, foreign service suppliers will be permitted to establish joint ventures and to engage in the wholesale business of all imported and domestically produced products, except those products that immediately follow. For these products, foreign service suppliers will be permitted to engage in the wholesale distribution of books, newspapers, magazines, pharmaceutical products, pesticides, and mulching film starting no later than January 1, 2003 and to engage in the distribution of chemical fertilizers, processed oil and crude oil starting no later than January 1, 2005.	(1) Unbound (2) None (3) None	Upon accession, foreign-invested enterprises are permitted to distribute their products manufactured in China, including the products listed as excepted in the market access or Sector or Subsector column, and to provide subordinate services as defined in Annex 1.		
A. Commission Agents' services (excluding salt, tobacco)	Starting no later than January 1, 2002, foreign majority ownership will be permitted and no geographic or quantitative restrictions will apply. Starting no later than January 1, 2003, there will be no restrictions on equity/form of establishment.		Upon accession, foreign service suppliers will be permitted to provide the full range of related subordinate services, including after sales services, as defined in Annex 1, for the products they distribute.		
B. Wholesale Trade Services (excluding salt, tobacco)	None, starting no later than January 1, 2005.				

UNCLASSIFIED

Modes of supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons

Sector or subsector	Limitations on market access	Limitations on national treatment	Additional commitments
C. Retailing Services (excluding tobacco)	<p>(1) Unbound, except for mail order services</p> <p>(2) None</p> <p>(3) Foreign services suppliers are permitted to supply services as joint ventures in the five Special Economic Zones (Shenzhen, Zhuhai, Shantou, Xiamen, and Hainan) and six cities (Beijing, Shanghai, Tianjin, Guangzhou, Dalian, and Qingdao). In Beijing and Shanghai, a total of no more than four joint venture retailing enterprises are permitted respectively. In each of the other cities the number of joint venture retailing enterprises shall be no more than two. Two joint venture retailing enterprises among the four to be established in Beijing may set up their branches in the same city (i.e., Beijing).</p>	<p>(1) Unbound, except for mail order services</p> <p>(2) None</p> <p>(3) None</p>	<p>Upon accession, foreign-invested enterprises are permitted to distribute their products and their products manufactured in China, including the products listed as excepted in the market access or Sector or Subsector column, and provide subordinate services as defined in Annex I.</p> <p>Upon accession, foreign service suppliers will be allowed to provide the full range of related subordinate services, including after sales services, as defined in Annex I, for the products they distribute.</p>

UNCLASSIFIED

2/MD

GN

Modes of supply:				
1) Cross-border supply	2) Consumption abroad	3) Commercial presence	4) Presence of natural persons	
Sector or subsector	Limitations on market access	Limitations on national treatment	Additional commitments	
	<p>Upon accession, Zhengzhou and Wuhan will be immediately open to joint venture retailing enterprises. Starting no later than January 1, 2002, foreign majority control will be permitted in joint venture retailing enterprises and all provincial capitals, Chongqing and Ningbo will be open to joint venture retailing enterprises.</p> <p>Foreign service suppliers will be permitted to engage in the retailing of all products, except for the retailing of books, newspapers, and magazines starting no later than January 1, 2001; the retailing of pharmaceutical products, pesticides, and processed petroleum oil starting no later than January 1, 2003 and the retailing of chemical fertilizers starting no later than January 1, 2005.</p> <p>Starting no later than January 1, 2003, there will be no geographic, quantitative restrictions, equity or form of establishment restrictions.</p> <p>None, starting no later than January 1, 2005, except for department stores over 20,000 square meters and chain stores with more than 30 stores for which only foreign minority ownership is permitted.</p>			

2/

UNCLASSIFIED

CONFIDENTIAL

ZMD

Modes of supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons

Sector or subsector	Limitations on market access	Limitations on national treatment	Additional commitments
D. Franchising	(1) None (2) None (3) Starting no later than January 1, 2003, none.	(1) None (2) None (3) Starting no later than January 1, 2003, none.	
E. Wholesale or retail trade services away from a fixed location	1) None 2) None 3) Starting no later than January 1, 2003, none.	1) None 2) None 3) Starting no later than January 1, 2003, none.	
For all subsectors above:	(4) Unbound, except as indicated in Horizontal Commitments		

UNCLASSIFIED

dy

\* See paragraph of the Working Party Report

UNCLASSIFIED

YMD

Modes of supply:			
1) Cross-border supply	2) Consumption abroad	3) Commercial presence	4) Presence of natural persons
Sector or subsector	Limitations on market access	Limitations on national treatment	Additional commitments
<b>AUDIOVISUAL SERVICES</b>			
Videos, including entertainment software and CPC 83202, distribution services	1) None 2) None 3) Foreign services suppliers will be permitted to establish joint ventures with Chinese partners to engage in the distribution of audiovisual products, excluding motion pictures, without prejudice to China's right to examine the content of audio and video products. 4) Unbound, except as indicated in Horizontal Commitments	1) None 2) None 3) None 4) Unbound, except as indicated in Horizontal Commitments	Without prejudice to compliance with China's regulations on the administration of films, China will allow the importation, upon accession, of <del>no less than</del> 40 motion pictures for theatrical release on a revenue-sharing basis and/or on a flat-fee basis. The number of such imports shall be increased by 5 each year over the next two years.
Sound recording distribution services <del>including</del>	<del>1) None</del> <del>2) None</del> <del>3) Foreign services suppliers will be permitted to establish joint ventures with Chinese partners to engage in the distribution of audiovisual products, excluding motion pictures, without prejudice to China's right to examine the content of audio and video products.</del> <del>4) Unbound, except as indicated in Horizontal Commitments</del>	<del>1) None</del> <del>2) None</del> <del>3) None</del> <del>4) Unbound, except as indicated in Horizontal Commitments</del>	<del>Without prejudice to compliance with China's regulations on the administration of films, China will allow the importation, upon accession, of no less than 40 motion pictures for theatrical release on a revenue-sharing basis and/or on a flat-fee basis. The number of such imports shall be increased by 5 each year over the next two years.</del>
Cinema Theater Services	1) None 2) None 3) Foreign services suppliers will be permitted to construct and/or renovate cinema theaters upon accession, with foreign investment no more than 49%, but with foreign control of the management and operation permitted. Starting no later than January 1, 2002, foreign majority ownership will be permitted.	1) None 2) None 3) None 4) Unbound, except as indicated in Horizontal Commitments	20 on an annual basis.

UNCLASSIFIED

dy

70

ZMD

OK

CHINA (continued)

Modes of supply:		(1) Cross-border supply	(2) Consumption abroad	(3) Commercial presence	(4) Presence of natural persons
Sector or sub-sector		Limitations on market access		Limitations on national treatment	Additional commitments
5. EDUCATIONAL SERVICES		(1) Unbound (2) None		(1) Unbound (2) None (3) Unbound	
A. <u>Primary education services</u> (CPC 921, excluding national compulsory education in CPC 92190)		(3) Joint schools may be established except for special education services specified in laws and regulations.			
B. <u>Secondary education services</u> (CPC 922, excluding national compulsory education in CPC 92210)		(4) Unbound except as indicated in Horizontal Commitments and the following: foreign individual education service suppliers may enter into China to provide education services when invited or employed by Chinese schools and other education institutions.		(4) Qualifications are as follows: possession of Bachelor's degree or above and an appropriate professional title or certificate, with two years' professional experiences.	
C. <u>Higher education services</u> (CPC 923)					
D. <u>Adult education services</u> (CPC 924)					
E. <u>Other education services</u> (CPC 929)					

UNCLASSIFIED

41

41

2MD

4

0W

CHINA (continued)

Modes of supply:		(1) Cross-border supply	(2) Consumption abroad	(3) Commercial presence	(4) Presence of natural persons	Additional commitments
Sector or sub-sector		Limitations on market access				Limitations on national treatment
6. ENVIRONMENTAL SERVICES (excluding environmental quality monitoring and pollution source inspection)						
A. <u>Sewage Services</u> (CPC 9401)		(1) Unbound, except for environmental consultation services.				(1) None
B. <u>Solid Waste Disposal Services</u> (CPC 9402)		(2) None				(2) None
C. <u>Cleaning Services of Exhaust Gases</u> (CPC 9404)		(3) Only in the form of joint ventures.				(3) None
D. <u>Noise Abatement Services</u> (CPC 9405)		(4) Unbound, except as indicated in Horizontal Commitments.				(4) Unbound, except as indicated in Horizontal Commitments.
E. <u>Nature and Landscape Protection Services</u> (CPC 9406)						
F. <u>Other Environmental Protection Services</u> (CPC 9409)						

UNCLASSIFIED

Modes of supply:		1) Cross-border supply	2) Consumption abroad	3) Commercial presence	4) Presence of natural persons	Additional commitments
Sector or subsector		Limitations on market access		Limitations on national treatment		
FINANCIAL SERVICES		(1) Unbound except for international marine, aviation, and transport insurance and reinsurance.		(1) None		
A. All Insurance and Insurance -Related Services		(2) None		(2) None		
(a) Life, health and pension/annuities insurance		(3) a. Form of establishment: Foreign non-life insurers will be permitted to establish as a branch or as a joint venture with 51% foreign ownership. Starting no later than January 1, 2002, foreign non-life insurers will be permitted to establish as a wholly-owned subsidiary; i.e., with no form of establishment restrictions.		(3) Foreign insurance institutions shall not engage in the statutory insurance business.		
b) Non-life insurance						
c) Reinsurance						
d) Services auxiliary to insurance including brokerage and agency services, excluding brokerage services		<p>Upon accession, foreign life insurers will be permitted 50% foreign ownership in a joint venture with the partner of their choice. Starting no later than January 1, 2001, foreign life insurers will be permitted 51% foreign ownership.</p> <p>Internal branching for all insurance firms will be permitted consistent with the phase out of geographic restrictions.</p> <p>b. Geographic coverage: Upon accession, foreign life and non-life insurers will be permitted to provide services in Shanghai and Guangzhou. Starting no later than January 1, 2002, foreign life and non-life insurers will be permitted to provide services in the following cities: Beijing, Chengdu, Dalian, Chongqing, Shenzhen, Fuzhou, Suzhou, Xiamen, Ningbo, Shenyang, Wuhan, and Tianjin.</p>		<p><del>with 100% foreign ownership</del> Control permitted</p>		

UNCLASSIFIED

2m2

2/3

Modes of supply:	1) Cross-border supply	2) Consumption abroad	3) Commercial presence	4) Presence of natural persons
Sector or subsector	Limitations on market access	Limitations on national treatment	Additional commitments	
	<p>Starting no later than January, 1, 2003, <del>foreign</del> <sup>life and non-life insurers</sup> will be permitted to provide services in the following additional cities: <del>Zhuhai, Hefei, Nanjing, Xian, Yantai, Qingdao and Changchun. Starting no later than January 1, 2005, there will be no geographic restrictions.</del></p> <p>c. Business Scope: Upon accession, foreign non-life insurers will be permitted to provide "master policy" insurance/insurance of large scale commercial risks, which has no geographic restrictions.</p> <p>Foreign non-life insurers are permitted to provide insurance of enterprises abroad; property insurance, related liability insurance and credit insurance of foreign invested companies upon accession; starting no later than January 1, 2004, foreign non-life insurers will be permitted to provide the full range of non-life insurance services to both foreign and domestic clients.</p> <p>Foreign insurers are permitted to provide individual (not group) insurance to foreigners and Chinese citizens; starting no later than January 1, 2004, foreign insurers will be allowed to provide health insurance to foreigners and Chinese; starting no later than January 1, 2005, foreign insurers will be allowed to provide group and pension/annuities insurance to foreigners and Chinese.</p>			

UNCLASSIFIED

UNCLASSIFIED

Modes of supply:				
1) Cross-border supply	2) Consumption abroad	3) Commercial presence	4) Presence of natural persons	
Sector or subsector	Limitations on market access	Limitations on national treatment	Additional commitments	
	<p>Upon accession, foreign insurers will be permitted to provide reinsurance services for life and non-life insurance as a branch, JV, or wholly-owned subsidiary, without geographic or quantitative restrictions on the number of licenses issued.</p> <p><del>Upon accession, 2 foreign brokers will be permitted to provide brokerage services. Starting no later than January 1, 2005, all geographic, quantitative and form of establishment restrictions will be eliminated. Upon accession, the scope of activities will be limited to foreign-invested firms in China. Starting no later than January 1, 2005, brokers will be permitted to provide services to all foreign and domestic clients.</del></p>	<p>4) Unbound, except as indicated in Horizontal Commitments</p>		
	<p>d. Licenses: Upon accession, licenses will be issued with no economic needs test or quantitative <del>limitations</del> limits on licenses.<sup>1</sup> Qualifications for establishing a foreign insurance institution are as follows: the investor shall be a foreign insurance company with more than 30 years of establishment experience in a WTO member; it shall have a representative office for two consecutive years in China; it shall have total assets of more than US\$5 billion at the end of the year prior to application.</p> <p>4) Unbound, except as indicated in Horizontal Commitments.</p>			

UNCLASSIFIED

LWD.

Nov 13  
phase out  
Geo - banking

CP

Am

For local currency business, the geographic restriction will be phased out as follows: Upon accession, Shanghai, Shenzhen, Tianjin, and Dalian; ~~one year after accession~~ Guangzhou, Qingdao, Nanjing, and Wuhan; ~~two years after accession~~ Jinan, Fuzhou, Chengdu, and Chongqing; ~~three years after accession~~ Kunming, Zhuhai, Beijing, and Xiamen; ~~four years after accession~~ Shantou, Ningbo, Shenyang, and Xian; ~~five years after accession~~ there will be no geographic restriction.

REPLACE WITH BRACKETED TEXT WITH:

STARTING NO LATER THAN

1/1/2001
1/1/2002
1/1/2003
1/1/2004
1/1/2005

mf

2 MO

Modes of supply:		1) Cross-border supply	2) Consumption abroad	3) Commercial presence	4) Presence of natural persons
Sector or subsector		Limitations on market access		Limitations on national treatment	Additional commitments
B. <u>Banking and Other Financial Services</u> (excluding insurance)		(1) Unbound except for the following: -- Provision and transfer of financial information, and financial data processing and related software by suppliers of other financial services; -- Advisory, intermediation and other auxiliary financial services on all activities listed in subparagraphs (a) through (k), including credit reference and analysis, investment and portfolio research and advice; advice on acquisitions and an corporate restructuring and strategy		(1) None (2) None (3) Except for geographic restrictions and client limitations on local currency business (listed in the market access column), foreign financial institutions may do business, without restrictions or need for case-by-case approval, with foreign invested enterprises, non-Chinese natural persons, Chinese natural persons and Chinese enterprises. Otherwise none.	For financial leasing services, foreign financial leasing corporation will be permitted to provide financial leasing service at the same rate as domestic corporations
(a) Acceptance of deposits and other repayable funds from the public;		(2) None		(4) Unbound except as indicated in Horizontal Commitments.	
(b) Lending of all types, including consumer credit, mortgage credit, factoring and financing of commercial transaction;		(3) A. Geographic coverage: For foreign exchange currency business, there will be no geographic restriction upon accession. For local currency business, the geographic restriction will be phased out as follows: Upon accession, Shanghai, Guangzhou, Beijing, and Shenzhen. No later than January 1, 2001, Fuzhou, Qingdao, Nanjing, and Wuhan. Starting no later than January 1, 2002, Tianjin, Fuzhou, Chengdu, and			
(c) Financial leasing;					
(d) All payment and money transmission services, including credit, charge and debit cards, travellers' cheques and bankers drafts;					
(e) Guarantees and commitments;					

Auto financing by non-bank financial institutions

(1) None  
(2) None  
(3) None  
(4) Unbound, except as indicated in Horizontal Commitments

UNCLASSIFIED

CM2

Modes of supply:	1) Cross-border supply	2) Consumption abroad	3) Commercial presence	4) Presence of natural persons
Sector or subsector	Limitations on market access	Limitations on national treatment	Additional commitments	
	<p>Chongqing starting no later than January 1, 2003, <del>Kunming, Zhuhai, Xian, and Xi'an;</del> starting no later than January 1, 2004, <del>Shantou, Ningbo, Shenyang, and Shijiazhuang;</del> starting no later than January 1, 2005, all geographic restrictions will be removed.</p> <p>B. Clients. For foreign exchange currency business, foreign financial institutions will be permitted to provide services in China without restriction as to clients upon accession.</p> <p>For local currency business, <del>starting no later than January 1, 2002,</del> foreign financial institutions will be permitted to provide services to Chinese enterprises. <del>Starting no later than January 1, 2005,</del> foreign financial institutions will be permitted to provide services to all Chinese clients. Foreign financial institutions licensed for local currency business in one region of China may service clients in any other region that has been opened for such business.</p> <p>C. Licensing. Criteria for authorization to deal in China's financial services sector are solely prudential (i.e., contain no economic needs test or quantitative limits on licenses). Starting no later than January 1, 2005, any existing non-prudential measures restricting ownership, operation, and juridical form of foreign financial institutions, including on internal branching and licenses, shall be eliminated.</p>	<p>Replaced w/ attached cities</p> <p>as of</p>		

48

LWD

4/13

Modes of supply:				
1) Cross-border supply	2) Consumption abroad	3) Commercial presence	4) Presence of natural persons	
Sector or subsector	Limitations on market access	Limitations on national treatment	Additional commitments	
	<p>Foreign financial institutions who meet the following condition are permitted to establish a subsidiary of a foreign bank or a foreign finance company in China:</p> <ul style="list-style-type: none"> <li>- total assets of more than US \$10 billion at the end of the year prior to filing the application.</li> </ul> <p>Foreign financial institutions who meet the following condition are permitted to establish a branch of a foreign bank in China:</p> <ul style="list-style-type: none"> <li>- total assets of more than US \$30 billion at the end of the year prior to filing the application.</li> </ul> <p>Foreign financial institutions who meet the following condition are permitted to establish a Chinese-foreign joint bank or a Chinese-foreign joint finance company in China:</p> <ul style="list-style-type: none"> <li>- total assets of more than US \$10 billion at the end of the year prior to filing the application.</li> </ul> <p>Qualifications for foreign financial institutions to engage in local currency business are as follows:</p> <ul style="list-style-type: none"> <li>- three years business operation in China being profit-making for two consecutive years prior to the application, otherwise, none.</li> </ul> <p><del>FOR FINANCIAL INSTITUTIONS, THE ABOVE</del></p> <p>(4) Unbound except as indicated in Horizontal Commitments.</p>			

2

three years business operation in China

11

UNCLASSIFIED

4/13

4/13

UNCLASSIFIED

YMD

2

Modes of supply:	1) Cross-border supply	2) Consumption abroad	3) Commercial presence	4) Presence of natural persons
Sector or subsector	Limitations on market access	Limitations on national treatment	Additional commitments	
Securities services as follows: <del>(1) Trading for own account or for account of customers, whether on an exchange, in an over-the-counter market or otherwise, the following: - money market instruments (including cheques, bills, certificates of deposits); - foreign exchange; - derivative products including, but not limited to, futures and options; - exchange rate and interest rate instruments, including products such as swaps, forward rate agreements; - transferable securities; - other negotiable instruments and financial assets, including bullion; (2) Participation in issues of all kinds of securities, including underwriting and placement as agent (whether publicly or privately) and provision of services related to such issues;</del>	<p><i>Only</i></p> <p>(1) Unbound, except for the following: - Foreign securities institutions may engage directly (without Chinese intermediary) in B share business.</p> <p>(2) None</p> <p>(3) a. Unbound, except for the following: Upon accession, representative offices in China of foreign securities institutions may become Special Members of all Chinese stock exchanges.</p> <p>- Starting no later than January 1, 2003, foreign securities institutions will be permitted to establish joint ventures, with foreign ownership not exceeding 1/3, to engage (without Chinese intermediary) in underwriting A shares and in underwriting and trading B and H shares as well as government and corporate debt.</p>	<p>(1) None</p> <p>(2) None</p> <p>(3) None</p> <p>(4) Unbound, except as indicated in Horizontal Commitments.</p>		

UNCLASSIFIED

UNCLASSIFIED

Modes of supply:	1) Cross-border supply	2) Consumption abroad	3) Commercial presence	4) Presence of natural persons	Additional commitments
Sector or subsector	Limitations on market access	Limitations on national treatment			
<p>(h) Money broking;</p> <p>(i) Asset management, such as cash or portfolio management, all forms of collective investment management, pension fund management, custodial, depository and trust services;</p> <p>(j) Settlement and clearing services for financial assets including securities, derivative products and other negotiable instruments;</p>	<p>330</p> <p>Upon accession, joint ventures with up to 49 percent minority foreign ownership may conduct domestic securities investment fund businesses, to include activities in subsectors (d), (e), (f), (g), (h), (i) and (j).</p> <p>b. Criteria for authorization to deal in China's financial industry are solely prudential (i.e., contain no economic needs test or quantitative limits on licenses).</p> <p>(4) Unbound except as indicated in Horizontal Commitments.</p>	<p>management</p> <p>STARTING NO LATER THAN 1/2003,</p> <p>FOREIGN OWNERSHIP SHALL BE NO MORE THAN 49%</p>			<p>UNCLASSIFIED</p>

Modes of supply:	1) Cross-border supply	2) Consumption abroad	3) Commercial presence	4) Presence of natural persons
Sector or subsector	Limitations on market access		Limitations on national treatment	
<i>Other financial services as listed below</i>	(1) None		(1) None	
	(2) None		(2) None	
	(3) None, (Criteria for authorization to deal in China's financial services sector are solely prudential (i.e., contain no economic needs test or quantitative limits on licenses). Branches of foreign institutions are permitted.		(3) None	
	(4) Unbound except as indicated in Horizontal Commitments.		(4) Unbound except as indicated in Horizontal Commitments	

UNCLASSIFIED

Modes of supply:		1) Cross-border supply	2) Consumption abroad	3) Commercial presence	4) Presence of natural persons
Sector or subsector	Limitations on market access	Limitations on national treatment	Additional commitments		
9. TOURISM AND TRAVEL RELATED SERVICES					
a. Hotel (including apartment buildings) and Restaurants (CPC 641-643)	<p>1) None</p> <p>2) None</p> <p>3) Foreign services suppliers may construct, renovate and operate hotel and restaurant establishments in China in the form of joint ventures with foreign majority ownership permitted.</p> <p>None, starting no later than December 31, 2003, at which time legal form of establishment/equity limitations will be eliminated.</p> <p>4) Foreign managers, specialists and senior executives who have signed contracts with joint venture hotels and restaurants in China shall be permitted to provide services in China.</p>	<p>1) None</p> <p>2) None</p> <p>3) None</p> <p>4) Unbound, except as indicated in Horizontal Commitments</p>			
B. Travel agency and tour operator services (CPC 7471)	<p>1) None</p> <p>2) None</p> <p>3) Foreign services suppliers who meet the following conditions are permitted to provide services in the form of joint venture travel agencies and tour operators in the holiday resorts designated by the Chinese government and in the cities of Beijing, Shanghai, Guangzhou and Xian upon accession. Starting no later than January 1, 2003, foreign majority ownership will be permitted; starting no later than December 31, 2005, wholly foreign-owned subsidiaries will be permitted:</p> <p>a) a travel agency and tour operator mainly engaged in holiday travel business;</p> <p>b) annual turnover exceeding US\$50 million.</p>	<p>1) None</p> <p>2) None</p> <p>3) None, except that joint ventures or wholly foreign-owned travel agencies are not permitted to engage in the activities of Chinese travelling overseas.</p> <p>4) Unbound, except as indicated in Horizontal commitments</p>			

6W

210

54

Modes of supply:	1) Cross-border supply	2) Consumption abroad	3) Commercial presence	4) Presence of natural persons
Sector or subsector	Limitations on market access	Limitations on national treatment	Additional commitments	
	<p>The registered capital of a joint venture travel agency/tour operator shall be no less than RMB 5 million.</p> <p>The business scope of the travel agency/ tour operator is as follows:</p> <p>a) travel and hotel accommodation services for foreign travellers which can be made directly with transportation and hotel operators in China covering such operations; b) travel services and hotel accommodation services for domestic travellers which can be made directly with transportation and hotel operators in China covering such operations; c) conducting of tours within China for both domestic and foreign travellers; and, d) travellers check cashing services within China.</p> <p>None, starting no later than December 31, 2005, at which time there will be no restriction on the establishment of branches of the joint venture travel agency/tour operator.</p> <p>4) Unbound, except as indicated in Horizontal Commitments</p>	<p>4) Unbound, except as indicated in Horizontal Commitments</p>		

UNCLASSIFIED

Modes of supply:	1) Cross-border supply	2) Consumption abroad	3) Commercial presence	4) Presence of natural persons
Sector or subsector	Limitations on market access	Limitations on national treatment	Additional commitments	
TRANSPORTATION SERVICES				
Freight Transportation by rail (CPC 7112)	1) None 2) None 3) Only in the form of joint ventures, with foreign investment not to exceed 49%. Starting no later than January 1, 2001, foreign majority ownership will be permitted for road transport. Starting no later than January 1, 2003, foreign majority ownership will be permitted for rail transport.	1) None 2) None 3) None		
Freight Transportation by road in trucks or cars (CPC 7123)	For road transport, none, starting no later than January 1, 2003, at which time foreign firms will be permitted to establish as a wholly foreign-owned subsidiary.			
b) Storage and warehousing services (742)	For rail transport, none, starting no later than January 1, 2006, at which time foreign firms will be permitted to establish as a wholly-owned subsidiary. 1) Unbound 2) None 3) Upon accession, only in the form of joint ventures, with foreign investment not to exceed 49%. Starting no later than January 1, 2001, foreign majority ownership will be permitted.	1) Unbound 2) None 3) None		
For the above service sectors	None, starting no later than January 1, 2003, at which time foreign firms will be permitted to establish as a wholly-owned subsidiary. 4) Unbound, except as indicated in Horizontal Commitments.	4) Unbound, except as indicated in Horizontal Commitments.		

UNCLASSIFIED

200

20

2007/1/1

Modes of supply:		1) Cross-border supply	2) Consumption abroad	3) Commercial presence	4) Presence of natural persons
Sector or subsector		Limitations on market access		Limitations on national treatment	Additional commitments
Freight Forwarding agency services (CPC 748 and 749)		1) None		1) None	
		2) None		2) None	
		3) Freight forwarding agencies which have at least 3 consecutive years experience are permitted to set up freight forwarding agency joint ventures in China, with foreign investment not to exceed 50%. Starting no later than January 1, 2001, foreign majority ownership will be permitted.		3) None	
		<p>After one year operating in China, the joint ventures can set up branches when all the registered capital of both sides have been provided. Another \$US 120,000 shall be added to the original registration capital of the joint venture for the set up of each branch. A freight forwarding agency may set up a second joint venture after its first joint venture has been in operation for 5 years.</p> <p>None, starting no later than January 1, 2004, at which time foreign firms will be permitted to establish as a wholly-owned subsidiary, except the minimum registered capital of the joint venture shall be no less than US \$1 million and the operation term of the joint venture shall not exceed 20 years.</p> <p>(4) Unbound, except as indicated in Horizontal Commitments.</p>			

56

56

CMZ

CHINA (continued)

Modes of supply:	(1) Cross-border supply	(2) Consumption abroad	(3) Commercial presence	(4) Presence of natural persons	Additional commitments
Sector or sub-sector	Limitations on market access		Limitations on national treatment		
Aircraft repair and maintenance services (CPC 8868**)	(1) Unbound*		1) Unbound		
	(2) None		2) None		
	(3) Foreign service suppliers are permitted to establish joint venture aircraft repair and maintenance enterprises in China.		3) The joint ventures have the obligation to undertake business in the international market.		
	The Chinese side shall hold controlling shares or be in a dominant position in the joint ventures.		4) Unbound except as indicated in Horizontal Commitments.		
	Licenses for the establishment of joint ventures are subject to economic needs test.				
	(4) Unbound, except as indicated in Horizontal Commitments.				

UNCLASSIFIED

\* Unbound due to lack of technical feasibility.

120

CHINA (continued)

Modes of supply:	(1) Cross-border supply	(2) Consumption abroad	(3) Commercial presence	(4) Presence of natural persons	Additional commitments
Sector or sub-sector	Limitations on national treatment				
Computer reservation system (CRS) services	<p>(1) A. Foreign Computer Reservation System, when having agreements with Chinese aviation enterprises and Chinese Computer Reservation System, may provide services to Chinese aviation enterprises and Chinese aviation agents by connecting with Chinese Computer Reservation System.</p> <p>B. Foreign Computer Reservation System may provide services to representative offices and sales offices established in the destination cities in China by foreign aviation enterprises which have the right to engage in business according to bilateral aviation agreements.</p> <p>C. Direct access to and use of foreign Computer Reservation System by Chinese aviation enterprises and agents of foreign aviation enterprises are subject to approval of the General Administration of Civil Aviation of China(CAAC).</p> <p>(2) None</p> <p>(3) Unbound</p> <p>(4) Unbound, except as indicate in Horizontal Commitments.</p>				

UNCLASSIFIED

59

CMZ

59

CHINA (continued)

Modes of supply:		(1) Cross-border supply	(2) Consumption abroad	(3) Commercial presence	(4) Presence of natural persons	Additional commitments
Sector or sub-sector		Limitations on market access		Limitations on national treatment		
A. <u>Maritime Transport Services</u>						
- International transport (freight and passengers) (CPC 7211 and 7212 less cabotage transport services)		(1) (a) Liner shipping (including passenger transportation): None (b) Bulk, tramp and other international shipping (including passenger transportation): None (2) None		(1) (a) None (b) None (2) None		The following services at the port are made available to international maritime transport suppliers on reasonable and non-discriminatory terms and conditions: 1. Pilotage 2. Towing and tug assistance 3. Provisioning, fueling and watering 4. Garbage collecting and ballast waste disposal

UNCLASSIFIED

200

CHINA (continued)

Modes of supply: (1) Cross-border supply (2) Consumption abroad (3) Commercial presence (4) Presence of natural persons

Sector or sub-sector	Limitations on market access	Limitations on national treatment	Additional commitments
	<p>(3) (a) Establishment of registered companies for the purpose of operating a fleet under the national flag of the People's Republic of China:</p> <p>Foreign service suppliers are permitted to establish joint venture shipping companies.</p> <p>Foreign investment shall not exceed 49 per cent of the total registered capital of the joint venture.</p> <p>The chairman of board of directors and the general manager of the joint venture shall be appointed by the Chinese side.</p> <p>(b) Other forms of commercial presence for the supply of international maritime transport services: Unbound</p> <p>(4) (a) Ship's crew: Unbound, except as indicated in Horizontal Commitments.</p> <p>(b) Key personnel employed by Commercial Presence as defined under mode (3) (b) above: Unbound, except as indicated in Horizontal Commitments.</p>	<p>(3) (a) None</p> <p>(b) Unbound</p> <p>(4) (a) Unbound, except as indicated in Horizontal Commitments.</p> <p>(b) Unbound, except as indicated in Horizontal Commitments.</p>	<p>5. Port Captain's services</p> <p>6. Navigation aids</p> <p>7. Shore-based operational services essential to ship operations, including communications, water and electrical supplies</p> <p>8. Emergency repair facilities</p> <p>9. Anchorage, berth and berthing services.</p>

UNCLASSIFIED

60

60

CMZ

CHINA (continued)

Modes of supply:		(1) Cross-border supply	(2) Consumption abroad	(3) Commercial presence	(4) Presence of natural persons	Additional commitments
Sector or sub-sector		Limitations on market access		Limitations on national treatment		
H. Maritime Auxiliary Services (a) Maritime cargo-handling services (CPC 741)		(1) Unbound*		(1) Unbound*		
		(2) None		(2) None		
		(3) Only in forms of joint ventures.		(3) None		
		(4) Unbound, except as indicated in Horizontal Commitments.		(4) Unbound, except as indicated in Horizontal Commitments.		
(c) Customs clearance services		(1) Unbound*		(1) Unbound*		
		(2) None		(2) None		
		(3) Only in forms of joint ventures.		(3) None		
		(4) Unbound, except as indicated in Horizontal Commitments.		(4) Unbound, except as indicated in Horizontal Commitments.		

\* Unbound due to lack of technical feasibility.

CMZ

ZMD

Q/A

CHINA (continued)

Modes of supply:		(1) Cross-border supply	(2) Consumption abroad	(3) Commercial presence	(4) Presence of natural persons	Additional commitments
Sector or sub-sector		Limitations on market access				
(d) Container station and depot services		(1) Unbound*	(1) Unbound*	(1) Unbound*	(1) Unbound*	
		(2) None	(2) None	(2) None	(2) None	
		(3) Only in forms of joint ventures.	(3) Only in forms of joint ventures.	(3) None	(3) None	
		(4) Unbound, except as indicated in Horizontal Commitments.	(4) Unbound, except as indicated in Horizontal Commitments.	(4) Unbound, except as indicated in Horizontal Commitments.	(4) Unbound, except as indicated in Horizontal Commitments.	
(e) Maritime agency services		(1) Unbound*	(1) Unbound*	(1) None	(1) None	
		(2) None	(2) None	(2) None	(2) None	
		(3) Only in forms of joint ventures.	(3) Only in forms of joint ventures.	(3) None	(3) None	
		(4) Unbound, except as indicated in Horizontal Commitments.	(4) Unbound, except as indicated in Horizontal Commitments.	(4) Unbound, except as indicated in Horizontal Commitments.	(4) Unbound, except as indicated in Horizontal Commitments.	

UNCLASSIFIED

Unbound due to lack of technical feasibility.  
Unbound due to lack of technical feasibility.

2002

64

CHINA (continued)

Modes of supply: Sector or sub-sector	(1) Cross-border supply	(2) Consumption abroad	(3) Commercial presence	(4) Presence of natural persons	Additional commitments
Limitations on market access		Limitations on national treatment			
B. <u>Internal Waterway Transport Services</u>					
(b) Freight transport (CPC 7222)	(1) Only international shipping in ports open to foreign vessels shall be permitted.  (2) None  (3) Unbound  (4) Unbound, except as indicated in Horizontal Commitments.	(1) Limitations as indicated under market access column  (2) None  (3) Unbound  (4) Unbound, except as indicated in Horizontal Commitments.			

UNCLASSIFIED

63

63

LIST OF ARTICLE II EXEMPTION FOR CHINA

Modes of supply: 1) Cross-border supply		2) Consumption abroad	3) Commercial presence	4) Presence of natural persons
Sector or Sub-sector	Description of Measures Indicating its Inconsistency with Article II	Countries to Which the Measures Applies	Intended Duration	Conditions Creating the Need for the Exemption
Maritime Transport International Transport Freight and Passengers	The parties concerned may, through bilateral agreement, establish entities to engage in usual business in China either as joint ventures or wholly-owned subsidiaries subject to the Chinese laws on joint ventures and on foreign capital enterprises for ships owned or operated by carriers of the parties concerned.	Unspecified.	Unforeseeable.	According to present state of trade between signatories.
	Agreements of cargo sharing.	Algeria, Argentina, Bangladesh, Brazil, Thailand, USA, Zaire.	Subject to the effective duration of the agreements concerned.	According to present state of trade between signatories.

UNCLASSIFIED

15 November 1999

1999年11月15日

DIRECT SALES: Paragraph for the Working Party Report:

x. China confirmed that it will consult with WTO Members and develop regulations, consistent with the commitments in its service schedule, on direct sales activities. The Working Party took note of this commitment.

16

CLASSIFIED

易

CMZ